



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

March 24, 2023

Utah State University – Nontraditional Arrangement Vernal Campus

Board Policy [R712, *Nontraditional Arrangements for Development of Facilities on Campuses*](#), requires the Board to approve institutional requests to use nontraditional financing arrangements. Utah State University (USU) requests authorization to enter into a long-term ground lease with the Uintah School District to develop the Uintah Basin Early Childhood Education Center. It is estimated that the construction costs for the Center will exceed \$2.5M.

The Center will provide a shared environment to collaborate, perform research and expand educational opportunities, which will benefit students within the greater Uintah Basin community and the USU Vernal community. Details of the Center are described in the attachment. The appraised value of the ground lease is \$22,500 annually. The amount of space that USU will receive for its academic purposes in the Center will be of equivalent value to the ground lease, thus ensuring adequate compensation. Uintah School District will pay all construction, development, and O&M costs associated with the Center. Ownership of the Center, facilities, and improvements will revert to USU at the end of the ground lease.

All contracts and agreements associated with this arrangement will be reviewed by the Office of the Attorney General to ensure compliance with state law and Board policy. The USU Board of Trustees reviewed and approved this request in their February 10, 2023, Board meeting. Additional information on this financing arrangement is included in the attached letter and maps from the institution.

Commissioner's Recommendation

The Commissioner recommends the Board authorize Utah State University to enter into a nontraditional arrangement with the Uintah School District for a long-term ground lease to construct the Uintah Basin Early Childhood Education Center.

Attachment